

RIIA BOARD/BRIDGE MEETING

April 18, 2011

Board Attending: Charlotte Crain, John Rosendahl, Anne Scea, Trish Burnett. Trustees: David Paly, Dawn Stanton, Richard Swenson, Sarah Brown, Russ Ranger. Absent: Mike Neil

Members Attending: Ron & Ruth Martin, Greg Scea, Mike Appleby, Douglas VanDoren, Rob & Gabrielle Gibbert, Terri Schultz, John Lantz, Jack Hart, Carl Weitzel, Hans Boysen, Mike & Deidre Allen, Richard Torgeson, Shere & Andy Flood, Gary & Sharon Goodman, Teresa Spadoni, Rebecca Munnich, Kristina & Ron Thompson, Dennis Parkhurst, Mary & Robert Wark, Betty Perry, Joan Scrim, Mike Hirko, Tom & Shirley Murphy, Doug Driscoll, Matt & Jessica Nixon, Maralyn West, Marlain Wall, Jill Uddenberg, Kandi Horton, Bruce Difloe, Bill & Sandi Robinson, Bill & Jess Sprague, Craig Giske, Jim Cushing, Ron Larson, Tom Straub, Ted Smith, & others who did not sign in.

Bridge Information:

Dawn opened the meeting by explaining that bridge information had been gathered for the past five years to enable the membership to make a decision whether to proceed with bridge reconstruction or on-going maintenance. Dawn, Ted & Rich will facilitate the Q&A's. Any questions that cannot be answered tonite will be researched & a follow-up done.

Dawn reported an overview from the Bridge Committee along with 20 slides:

- The maintenance of the bridge is linked to maintaining property values
- We need to a plan to keep our bridge safe and sound
- We need to ensure access to the Island
- The BRF that was implemented in 1996 underestimated the cost of a new bridge 20 years later
- We do not have rate or loan information now, nor are we asking for a decision tonite. Instead we need input from the membership & finding out what answers they need before the May 16 vote
- Ongoing maintenance with 3% inflation would total \$18M
- The \$5.6M estimate is based on Treasure Island's bid
- Without Island support there is no need to proceed with bank options
- We expect to have Phase II information by January if support is received by the members
- A loan commitment will require two-thirds approval
- A USDA 30-yr loan is not possible
- A commercial 15-year loan ballooning every 5 years would be about \$2600/lot/year. We will continue to look at alternatives in the next six months hoping for an approximate \$2000/lot.

Ted gave an overview of the repairs to- date & what is planned.

- Any work done on the deck will not require permits
- Any work done in the water will require permitting
- Pilings are flagged based on priority; a ruler penetrated 11" or more
- Cross bracing is virtually non-existent
- It is estimated that 20% need replacement of the 188 timbers

Ballot Language Discussion:

- We will need a geo/tech evaluation whether we reconstruct or with on-going maintenance
- The \$785 request will be added to the BRF scale. This coming year it is \$415 + \$785 = \$1200 BRF
- John explained that increasing the BRF will pay a dividend when we are talking to banks regarding loans
- Treasure Isl. received a letter of commitment from Mutual of Omaha. They also had to assess members \$300K for urgent repairs

- Jud expressed some concerns: What will lenders expect as collateral? A loan may impact individual credit rating. These questions will be researched during Phase II. Jud was encouraged to participate in this process
- We will need cash reserves to service delinquent debt
- At this meeting we need to address raising the payments to replace or maintain the bridge. Current funds will be inadequate for the next five years
- Treasure Isl. replacement is similar to ours. Because of its deterioration the County is asking certain requirements
- Our bridge insurance is for \$3M coverage at \$24K/year. A new bridge would allow more brokers to bid & should require reduced coverage
- Are we sure of the easements & legalities? Yes, it will be in the same location
- There will be one-way traffic during construction
- What is the life expectancy of a new bridge? 75 years.
- If we sell financing would there be financial savings?
- What will it cost each of us & will any payments be reduced? We might shoot ourselves in the foot without dollar information
- Dave Paly suggested that without moving forward with a new bridge, we may see depreciated values of \$20-25K. We need the Island's support before spending the time to research further. We will use the toughest Bylaw to ensure overwhelming support, not tepid support
- John Rosendahl mentioned that we will pay either way
- Mr. Robbins has two lots. Will the \$785/year continue? The \$785 will be added to the BRF for now. It is anticipated that within six months a new amount may be requested based on the loan amount. The \$785 will pay for Phase I.
- If the Island does not approve the increase, sales will also be impacted. Banks will look at the entire membership
- The current BRF assessment has an 8% increase per year. Will this continue? Yes, but the intention will be for a new request based on the amount to build.
- Reconstruction has less risk. Maintenance will spike & permit rules change. One member commented that based on the number of water timbers to replace, it seems possible that we may not be allowed to maintain & possibly forced to build.
- How much did it cost Treasure Island for urgent repairs? \$300K
- Dawn Stanton was commended for all of her hard work & enormous amount of time spent. She offered that she wanted to know with certainty that maintenance would be more costly, and whether there was a "will of the membership" to move forward.
- It was also mentioned that sales of homes will also be impacted with a new bridge. The idea of \$3K HOA will deter some buyers.
- There may be a reduction of about \$200 for operating dues with reconstruction
- Fox Is. Bridge doesn't require any payment. It is County owned.
- If the \$785 increase is not approved, will we still move forward? Some may feel that we should use the BRF funds for Phase I until we know more answers about the cost of a new bridge.
- It was suggested to take a straw poll on the door-to-door contact. Some feel a vote at this time will not be successful.
- It is expected that we will get a better rate from banks by demonstrating our ability to accumulate a reserve amount.
- Will there be another opportunity to meet before the vote on May 16? A show of hands indicated interest by only about 5 members
- A show of hands about building a new bridge & willingness to pay the added \$785 indicated strong support
- If members have financial ideas, call Dawn
- The Island has a wealth of knowledge & all thoughts are welcome
- A thank you for the presentation was expressed
- Confusion about the BRF vs. dues was expressed. The BRF is accessible only for bridge replacement expenses. It will need to remain
- One member commented that our property assessed value does not reflect the bridge impact

- \$785 BRF increase (\$1765). July, 2012 the \$785 will be included unless a change is requested or the BRF expires.
- The County will not assist & the bridge will be on-going for the Island
- Is it possible the County will take a new bridge? A new bridge will not be built to County standards because of the cost & land ramifications

Members left the meeting while the Board continued business.

The February & March minutes were approved as written.

Roads: The water main will be replaced. A meeting is scheduled for Thursday. Tree trimming should be done in June according to Jeff. A posting should be done on the bridge & web. Potholes have been circled; overlays will be needed on some. Completion is expected prior to the Annual Meeting.

Treasurer: Anne requested moving our accounts from Bank of America to Chase. A motion was made & approved to move to Chase.

Investment Committee: Report only. A request was made to see in advance for the future.

John R. suggested having his wife approach the access road property owners regarding possible purchase if needed. It was agreed that the additional land would not be needed for bridge replacement.

The meeting was adjourned at 8:55pm, & subsequently reconvened at 9:00pm.

John R. moved to confirm the ballot requesting \$785 per year increase to the Bridge Replacement Fund, which would also expire with the BRF. The motion was approved.

The meeting was adjourned at 9:05pm

Respectfully submitted,
Trish Burnett, Secretary